

INDIVIDUAL VS AGGREGATE STANDARDS

Activities that are subject to the Public Benefit standards and pass the individual activity tests outlined above also must generally, in the aggregate, either:

- Create or retain at least *one full-time equivalent, permanent job per \$35,000 of CDBG funds* used for all such activities or
- Provide goods or services to residents of an area, such that the number of L/M income persons residing in the area served by the assisted businesses amounts to *at least one L/M income person per \$350 of CDBG funds* used for all such activities.
- As with the individual standards, if the activity can both create or retain jobs *AND* provide goods or services to residents of an area, the grant recipient may elect to apply either of the above aggregate standards to the activity.

However,

- Only one standard shall be used for each such activity. That is, if the grant recipient elects to use the area standard, and jobs created or retained by the activity are not to be counted for the purposes of applying that aggregate standard.

Applying the Aggregate Standard

In applying the aggregate standard, grant recipients are to aggregate the dollars and resultant jobs or L/M income persons served (as applicable) based on the following:

- A locality shall apply the aggregate standards to all funds distributed for applicable activities from each annual grant.
- This includes the amount of the annual grant, any funds reallocated by HUD to the locality, any program income distributed by the locality and any guaranteed loan funds made under the provisions of subpart M of this part covered in the method of distribution in the final statement for a given annual grant year. (24 CFR 570.482(f)(3))

Excludable Activities:

- Certain activities that would otherwise be subject to the aggregate Public Benefit standards may be excluded from the aggregate calculations under the authority of 24 CFR 570.482(f)(3)(v).
- Such activities are those that have been determined by HUD to serve important national interests.
- The activities must still pass the individual activity tests.
- Activities that qualify for this optional exclusion from the aggregate calculations are those that:
 - Provide jobs exclusively for unemployed persons or participants in one or more of the following programs:
 - JTPA, JOBS, or AFDC

- Provide jobs predominantly for residents of public and Indian Housing Units;
- Provide jobs predominantly for homeless persons;
- Provide jobs predominantly for low-skilled, L/M income persons, where the business agrees to provide clear opportunities for promotion and economic advancement to such persons who are hired, such as through provision of training;
- Provide jobs predominantly for persons residing within a census tract (or BNA) that has at least 20 percent of its residents who are in poverty;
- Provide assistance to business(es) that operate(s) within the census tract (or BNA) that has at least 20 percent of its residents who are in poverty;
- Stabilize or revitalize a neighborhood that has at least 70 percent of its residents who are L/M income persons;
- Provide assistance to a CDFI that serves an area that is predominantly L/M income persons;
- Provide assistance to a community development organization serving a neighborhood that has at least 70 percent of its residents who are L/M income persons;
- Provide employment opportunities that are an integral component of a project designed to promote spatial de-concentration of L/M income and minority persons;
- With prior HUD approval, provide a substantial benefit to L/M income persons through innovative approaches;
- Provide services to the residents of an area pursuant to a Community Revitalization Strategy approved by HUD;
- Create or retain jobs through businesses assisted in an area pursuant to a Community Revitalization Strategy approved by HUD

Note: The above-listed activity types may be excluded at the grant recipient's option. This means, of course, that they do not have to be excluded.

While the grant recipient might choose to exclude such activities in order to minimize the record-keeping requirements of complying with the aggregate Public Benefit standards, there is at least one good reason why the grant recipient would want to have one or more of them included.

That reason is that the public benefit (jobs or goods/ services per dollar) might be such that the grant recipient runs its economic development program in a way that stays very close to the aggregate standard (for example: \$35,000 per job) it may want to include an activity that provides jobs at a much lower CDBG cost per job, even if that activity falls into one of the above-described categories and the grant recipient had the option of excluding it.